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Agenda item 10

ADOPTION OF THE REPORT OF THE COMMITTEE ON ITS SECOND SESSION

Draft report

Addendum

Rapporteur: Mr. Patrick M. CHIPUNGU

Chapter ___

ECONOMIC AND SOCIAL DEVELOPMENT NEEDS IN THE MINERAL SECTOR: FLOW OF FINANCIAL RESOURCES, DEVELOPMENT AND TRANSFER OF TECHNOLOGY TO DEVELOP THE MINERAL RESOURCES OF DEVELOPING COUNTRIES AND ECONOMIES IN TRANSITION

(Agenda item 7 (a))

1. The Committee considered item 7 (a) of its agenda at the 1st meeting of its Working Group on Mineral Resources on 28 February 1994. It had before it the report of the Secretary-General on ways and means of facilitating the flow of financial resources and the development and transfer of technology to develop the mineral resources sector of developing countries and economies in transition (E/C.7/1994/7).

2. The report was introduced by a representative of the Department for Development Support and Management Services. He emphasized that developing countries and economies in transition had benefited from an inflow of funding and technical expertise from the international private sector and from multilateral and bilateral aid programmes. He pointed to the need for ensuring the availability of legal/regulatory as well as reliable geo-scientific information. In conclusion, he noted that United Nations Member States had outlined the need to evaluate natural resource projects and provide geo-scientific data; many Member States depended on those activities.

3. Several experts expressed their appreciation for the quality of the report and its clear and concise presentation of the issues, although some experts pointed out that the environmental issue should have been addressed as well.

4. It was observed that the developing countries and the economies in transition suffered from a lack of expertise in overseeing international accounting financial practices and in negotiating with transnational corporations. In addition, the development of case studies on developing countries with United Nations assistance would assist in disseminating information on mining potential. One expert emphasized the need for improving geo-scientific information and database systems.

5. Another comment was made on the critical need for developing countries and economies in transition to prepare a modern legal framework and model agreements for mining. Problems related to budget constraints and the restructuring of economies were outlined. It was further suggested that the Committee needed to seek economic instruments that would ensure reasonable returns for host countries.

6. Several experts mentioned the need to improve process issues, i.e., the streamlining of approvals within government systems and between different levels of government, in order to ensure the efficiency of administration and the timeliness of approvals.

7. The experts were also concerned about the implementation of the principles of sustainable development in the mineral sector. They noted that there was a need to assist developing countries and economies in transition in preparing standardized environmental guidelines in order to ensure that companies worked in accordance with a base criteria.

8. One expert mentioned the issue of political stability as it affected the level of foreign investment and suggested that the generation of popular support for mining activity was one way of mitigating instability.

9. Another expert noted that the United Nations was currently undertaking a restructuring of its economic and social sectors, including its natural resources sector. It was recommended that the United Nations, particularly the Department for Development Support and Management Services, continue its support of mineral sector activities by maintaining the same level of support to the Committee, to the developing countries and to the economies in transition as it had done in the past.

10. The representative of the Economic and Social Commission for Asia and the Pacific also made a statement.